



STAFF REPORT

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| Meeting Type: | Board of Directors |
| Title: | Professional Services Agreement for Insurance Brokerage & Risk Management Services |
| From: | Bret Uppendahl, Finance Director |
| Through: | Ben Horenstein, General Manager |
| Meeting Date: | February 3, 2026 |

TYPE OF ITEM: Action Information

RECOMMENDATION: Approve a Professional Services Agreement for Insurance Brokerage and Risk Management Services with Arthur J. Gallagher Risk Management Services, LLC for fiscal years 2026/27 through 2028/29 and authorize the General Manager to execute the contract

SUMMARY: Staff presented this item at the January 22, 2026, Finance and Administration Committee meeting. The District's current insurance brokerage agreement with Alliant Insurance Services, Inc expires in fiscal year 2025/26. On October 27, 2025, the District issued a Request for Proposals (RFP) for Insurance Brokerage and Risk Management Services. The RFP closed on November 21, 2025, and two proposals were received. Staff recommends the District select Arthur J. Gallagher Risk Management Services for a three-year professional services agreement.

DISCUSSION: The District entered into an agreement for insurance brokerage services with Alliant Insurance Services, Inc. on April 19, 2019. The initial agreement was for three years from 2019/20 through 2021/22. Subsequent amendments extended the agreement through 2025/26. Prior to fiscal year 2019/20 the District received insurance brokerage services from Arthur J. Gallagher Risk Management Services, LLC.

The RFP issued in October 2025 was posted publicly and sent directly to five insurance brokerage firms. Interviews were conducted with the two responding firms and an internal selection panel gave the highest score to Arthur J. Gallagher Risk Management Services, LLC, with the primary areas of distinction being the approach to the scope of services and the proposed fees. The total brokerage fee proposed by Arthur J. Gallagher Risk Management Services, LLC is \$55,000 in FY 2026/27, increasing by four to six percent per year throughout the remaining years of the proposal. The total proposed brokerage fee for the three-year period is \$173,137.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: The FY 2026/27 through FY 2028/29 cost of \$173,137 represents an 18% reduction to the current brokerage fee of \$70,000 per year. Funding for the brokerage fee is included in the FY 2026/27 budget and will be included in the FY 2027/28 and FY 2028/29 budget request.

ATTACHMENT(S): None.

| DEPARTMENT OR DIVISION | DIVISION MANAGER | APPROVED |
|------------------------|---|---|
| Finance |  |  |
| | Bret Uppendahl Finance Director | Ben Horenstein General Manager |